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February 26, 2008

Mr. Charles L. A. Terreni
Chief Clerk and Administrator
Public Service Commission of South Carolina
P. O. Drawer 11649
Columbia, South Carolina 29211

RECEIVED

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PSC SC
MAIL / DMS

RE: Docket Nos. 2005-385-E and 2005-386-E

Dear Mr. Terreni:

Pursuant to Order No. 2007-618 issued by the Public Service Commission of South Carolina (the "Commission") in Docket Nos. 2005-385-E and 2005-386-E, Duke Energy Carolinas, LLC ("Duke Energy Carolinas" or the "Company") hereby submits its response regarding the Company's communications plan to customers on the availability of smart meters and how customers may use metering capabilities to better manage their energy requirements.

Duke Energy Carolinas began offering customers time of use rate options, which included smart metering, in 1981. These options expanded over the years to include a residential off-peak water heating rate, electric vehicle rate, and a form of real-time pricing for larger customers. Duke Energy Carolinas also uses smart metering for its avoided cost rates for Purchased Power. In addition, time of use concepts are reflected in Riders NM and SCG, which the Company previously filed with the Commission for approval in Docket No. 2005-385-E in November 2007. Customers do not incur additional costs for smart meters over and above those covered in the individual rate schedules.

Smart meters are utilized for the following rate schedules, except Schedule WC, which uses a load control device to shift load to off-peak periods. Under these schedules, customers' billing data differentiates between on-peak and off-peak usage and gives price signals that allow customers to alter their energy consumption patterns.

- Residential Schedule WC, Residential Water Heating Service, Controlled/Submetered
- Residential Schedule RT, Residential Service, Time of Use

- Schedule EVX, Electric Vehicle Rate
- Schedule GT, General Service Time of Use (closed to new customers)¹
- Schedule IT, Industrial Service Time of Use (closed to new customers)
- Schedule OPT, Optional Power Service, Time of Use
- Schedule MP, Multiple Premises
- Schedule PG, Parallel Generation
- Schedule HP-X, Hourly Pricing for Incremental Load

Pursuant to Commission Rule 103-330 b. and c., the Company provides a summary of all available rate schedules, including those using smart metering technology, to each new customer upon service initiation, as well as to existing customers in the form of a bill insert at least once each year. Rate information is also made available on the Company's website. Thus, Duke Energy Carolinas' communication plan is twofold: (1) periodic summaries of available rates schedules are provided to customers at service initiation and then annually thereafter; and (2) continuous information regarding available rate schedules and metering options is contained on the Company's website.

In addition to the rate schedules listed above, the Company's website also provides an on-line home energy audit tool to help customers understand their usage. This tool is currently being enhanced and will soon provide residential customers even greater functionality. The purpose of the on-line home energy audit is to allow customers to perform a customized energy audit of their home. Under the enhanced functionality available in June 2008, customers will be provided a breakdown of their energy consumption into household usage components (e.g., heating, cooling, and water heating) and their total usage will be compared to homes of like kind. This information will be differentiated (i.e., customized) by household. The information answers two fundamental questions for the customer: (1) am I relatively efficient?; and (2) where is my energy being used? The benefit of this tool is that it provides smaller customers with the information necessary to understand their energy usage without requiring the use of a smart meter.

Finally, customers who want even greater detailed energy consumption data may participate in the Company's Remote Meter Reading and Usage Data Service tariff², which has been in place since 1995, and has been updated and expanded in a filing of even date for the Commission's review and approval. Under this program, the Company installs a special meter, which records interval load data. The usage data recorded by the meter is then provided to customers for a monthly fee. Upon approval by the Commission, the Company will incorporate a summary of the revised program on its website and in the new customer and annual rate notices described above.

Duke Energy Carolinas is committed to continuing to provide rate, metering, and web-based options that enable customers to better manage their energy usage. The Company believes these options, in conjunction with new and innovative energy efficiency

¹ The Company currently has no customers on this rate schedule.

² See Docket 1995-1207-E.

programming by Duke Energy Carolinas, are essential to achieving real energy efficiency gains -- both at the individual customer level and the utility system level.

Sincerely,

A handwritten signature in cursive script that reads "Catherine E. Heigel". The signature is written in black ink and is positioned above the printed name.

Catherine E. Heigel

Enclosure

cc: Parties of Record

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-386-E

IN RE: Petition of the Office of Regulatory)
Staff to Establish Dockets to)
Consider Implementing the)
Requirements of Section 1252) **CERTIFICATE OF SERVICE**
(Smart Metering) of the Energy)
Policy Act of 2005)

I, Catherine E. Heigel, hereby certify that Duke Energy Carolinas' compliance filing in the above-referenced docket has been placed in the U. S. Mail on this date, to the parties of record at the addresses shown below, with sufficient postage attached:

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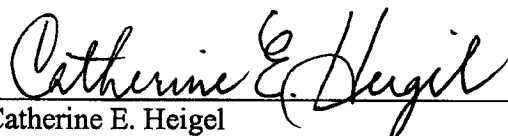
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This the 26th day of February, 2008.


Catherine E. Heigel
Assistant General Counsel

Charlotte, North Carolina